

**BEACH CITIES HEALTH DISTRICT
REQUEST FOR QUALIFICATIONS (RFQ) –
OTHER POST-EMPLOYMENT BENEFITS (OPEB) AND/OR PENSION
TRUST FUND INVESTMENT MANGEMENT SERVICES**

Issue Date: April 9, 2018

Proposal Due Date: April 27, 2018 (Deadline extended to June 1, 2018 at 5 p.m.)

Proposals Directed To: Beach Cities Health District Proposal Contact: Monica Suua

Monica.Suua@bchd.org

Number of Proposal Copies: 1 printed or 1 electronic copy

In compliance with this Request for Qualifications (RFQ) and to all conditions imposed herein, the undersigned offers and agrees to furnish the services in accordance with the attached signed response or as mutually agreed upon by subsequent negotiation. By signature hereto, the proponent certifies that all representations and certifications contained in its response are complete and accurate as required.

Name and Address of Firm:

Name:

Signature:

Title:

Date:

Phone #:

Federal Emp. ID#

Fax #:

**BEACH CITIES HEALTH DISTRICT
REQUEST FOR QUALIFICATIONS (RFQ) –
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TRUST FUND INVESTMENT MANGEMENT SERVICES**

**1200 DEL AMO STREET
REDONDO BEACH, CA 90277**

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SECTION 1: GENERAL INFORMATION

1.1 Purpose

The intent of this Request for Qualifications ("RFQ") is to identify a Trust Fund Investment Manager who can provide services consistent with the scope of work included in this document, to Beach Cities Health District, a public agency that serves the cities of Hermosa Beach, Manhattan Beach and Redondo Beach.

The Trust Fund Investment Manager must adhere to rigid performance standards that are mission critical to our facility's success. This document will provide The Trust Fund Investment Manager with the information necessary to prepare and submit responses for consideration of this service. The Trust Fund Investment Manager responding to this RFQ are expected to provide Beach Cities Health District (hereafter referred to as BCHD or The District) with information and evidence that will enable the evaluation of the information in expectation of awarding a contract in a manner that best serves BCHD. BCHD has the right to use any and all ideas presented in any response to this RFQ. BCHD reserves the right to award a contract, or multiple contracts, based solely on what it considers to provide the greatest long-term benefit to BCHD and the best quality of service to the community and customers.

1.2 Beach Cities Health District Overview

The Beach Cities Health District (BCHD) is a dynamic public health agency serving the 120,000 residents of Hermosa Beach, Manhattan Beach and Redondo Beach through a wide range of innovative health and wellness programs that promote healthy lifestyles, physical health and fitness, and emotional balance. The organization strives to develop programs and services that meet our mission:

To enhance individual and community well being in the cities of Hermosa Beach, Manhattan Beach, and Redondo Beach through a broad array of innovative health services, collaborative partnerships, and community programs.

A tax-free public agency, BCHD spends over \$10 million annually in service provisions to the residents.

Visit <http://www.bchd.org/> for more information.

1.3 Contact Point and Issuing Office

The sole point of contact for questions or additional information is:

Ms. Monica Suua
Beach Cities Health District
1200 Del Amo Street
Redondo Beach, CA 90277
Monica.Suua@bchd.org

All responses to this RFQ must be delivered to the point of contact shown above. All questions and requests for additional information must be in writing and received through the point of contact shown above (email is acceptable).

SECTION 2: SCOPE OF SERVICES

2.1 Scope of Work

BCHD is seeking the services of a Trust Fund Investment Manager to assist in the development of a strategy to fund the long-term cost of the OPEB and/or Pension participant benefits, manage the assets of the proposed Trust Fund and provide the District with timely investment return updates and reporting in accordance with Governmental Accounting Standards 43, 45, 74 and 75, if applicable.

The Trust Fund Investment Manager services should include, but not be limited to the following:

- Excellent customer service
- Cost effective trust and fiduciary services
- Alternative investment strategies
- Be available for the District Management, Finance Committee and Board of Directors for presentations, analysis and questions.
- Other investment services as directed by BCHD.

SECTION 3: PROPOSAL FORMAT AND CONTENTS

To be considered, the Trust Fund Investment Manager shall submit a complete response to this Request for Qualifications (RFQ) using the format outlined below. Proposals by a joint team or a prime/subcontractor team shall list the full names and addresses of all team members and the proposed relationship/role of each.

The documents, information and disclosures listed below are in addition to all requests listed in Section 6 "Scope of Work Proposal" of this RFQ, Vendors responding to this RFQ will provide the following:

3.1 Letter of Transmittal

The prospective Trust Fund Investment Manager proposal shall include a brief letter of transmittal signed by an individual or individuals authorized to bind the prospective Trust Fund Investment Manager contractually.

3.2 Qualifications and Experience of Firm, Including Subcontractors

The Trust Fund Investment Manager shall provide information on their business, applicable certificates of recognition, and other pertinent information that demonstrates their qualifications to perform the contract. Information on education, training,

certification, awards, etc. for individual employees of the Vendor or Subcontractor may be supplied.

The firm should have a minimum of 10 years of experience providing trust fund management services.

The Trust Fund Investment Manager shall designate a project team comprised of experienced professional and technical staff to competently and efficiently perform the work with their own personnel, Subcontractors, or commitment to hire additional staff. The response shall identify the project team composition, project leadership (i.e. principle, project manager), reporting responsibilities, and address how Subcontractors will fit into the management structure. As a minimum, the principle in charge and manager shall be designated. Other key personnel may also be designated. The manager must have adequate experience in managing services of similar nature and scope.

3.3 Required Disclosures

A disclosure of the Trust Fund Investment Managers name and address and, as applicable, the name and address of any company or venture that owns or has majority stake in the Trust Fund Investment Manager and the names of key officers and directors of the Trust Fund Investment Manager. A disclosure providing information regarding any major contract that has been terminated for any reason within the last 5 years by Trust Fund Investment Manager/ or Subcontractors responding to this RFQ.

3.4 Insurance Requirements

Please attach copies of all proof of insurance as described below that qualifies you to provide the service requested.

The Trust Fund Manager shall provide and maintain insurance coverage of adequate levels in compliance with the following as applicable:

- Comprehensive Public/General Liability \$1,000,000 per occurrence
- Worker's Compensation per California Requirements
- Comprehensive Automobile Liability \$1,000,000 per occurrence
- Professional Liability Insurance \$1,000,000 per occurrence
- Beach Cities Health District to be named as additional insured on Comprehensive General Liability insurance.

SECTION 4: SUMMARY OF KEY DATES

4.1 Key Dates

The following dates are shown for informational and planning purposes only. BCHD reserves the right to change any of the dates.

Public Notice – RFQ issued	April 9, 2018
RFQ responses due by 5:00 P.M. on	April 27, 2018
Responses reviewed	May 2018
Interviews conducted (if required)	May 2018
Pending Board Approval; commence services	July 2018

SECTION 5: CRITERIA FOR EVALUATION OF PROPOSALS

5.1 Evaluation Criteria & Award Notice

BCHD staff will review the responses. Responses will be received and evaluated on the understanding that the Trust Fund Investment Manager accepts full responsibility for, and will be contractually bound by, all statements made within the proposal and by sales and/or technical representatives. This responsibility extends to verbal sales commitments, vendor literature and claims of the capacity and ability of the proposed Trust Fund Investment Manager and its representatives to meet the specified scope of service requirements contained in this RFQ.

The evaluation of Responses will include, but may not be limited to, the items listed in this RFQ. Additional significant consideration will be given to the quality and comprehensiveness of each Trust Fund Investment Managers response to this RFQ and to the investment performance versus appropriate benchmarks, fee structure, cost of services and hourly rate schedule submitted.

BCHD reserves the right to accept responses in whole or in part, and to negotiate with any Trust Fund Investment Manager in any manner necessary to serve the best interests of BCHD. Trust Fund Investment Managers may be strictly held to the terms submitted in their responses as maximums, but may be required to reduce costs depending upon aspects of the services which may be determined by BCHD to be unnecessary, or aspects for which BCHD decides to assume the responsibility. The response submitted by any successful Trust Fund Investment Manager, and accepted by BCHD whether in whole or in part, will become part of the contract awarded as a result of this RFQ and the Trust Fund Investment Manager will be expected to sign a contract with BCHD, consistent with the RFQ, and such contract may include additional terms and conditions.

BCHD reserves the right to withdraw or cancel this RFQ at its own discretion. BCHD also reserves the right to reject any and all responses resulting from this solicitation. BCHD reserves the right to obtain any information from any lawful source regarding past business history and practices and the ability of Trust Fund Investment Manager to

supply Investment Services that BCHD has a right to expect from a Trust Fund Investment Manager with a good reputation. Such information may be taken into consideration in evaluating the responses.

All notices and communications regarding this RFQ will solely be conducted through the Trust Fund Investment Managers point of contact listed in the response and the BCHD contact identified in this document. Awards will follow the timeline outlined in Section 4.1.

SECTION 6: SCOPE OF WORK PROPOSAL

6.1: Additional Qualifications and Experience

1. Is your firm owned by or affiliated with any other organization(s), involved directly or indirectly in any area or aspect of insurance or reinsurance? If yes, identify organization and relationship.
2. Identify other names your firm may have used within the past five years.
3. How long has your organization been providing OPEB and/or Pension Trust Services?
4. What is the licensure for each investment individual who will be working on the District's fund?
5. Identify two (2) public sector organizations for which you have provided OPEB and/or Pension services?
6. Do you utilize an investment policy for your proposed fund(s)? If so, please provide a copy. If not, please describe the process by which the fund(s) evaluation is conducted on an ongoing basis, what benchmark(s) is used, how underlying investments are monitored and how you would propose that these evaluative reviews are communicated to the District.
7. How would you demonstrate compliance with an investment policy established by the District?
8. What are the total assets under management that you manage in the OPEB and/or Pension area?

6.2: Minimum Qualification Requirements

1. Proposer must be willing to sign a contract for a period of three (3) years with the ability by the District to extend the contract under the same conditions up to an additional two (2) year period.
2. Proposing firm must currently provide comprehensive discretionary investment management services such as a 3(38) advisor to at least two entities with a minimum in each plan of \$500 million.
3. Proposing firm must currently provide comprehensive services, not limited to OPEB AND/OR PENSION services, to at least two public sector (2) employers (preferably within the State of California) with a minimum in each plan of \$100 million?
4. Proposing firm must agree to not amend, revise or alter your proposal after submission, unless formally requested to do so by the District in writing. (All key or critical information or exceptions must be contained within the grids or referenced within those grids.)
5. Proposing firm must comply with all applicable federal and state laws and regulations for providing trust services within the State of California.
6. Proposing firm must agree that the initial RFP proposal including subsequent proposal modifications (if made in Finalist meetings) will represent the controlling document if there are conflicts between the contract and proposal for confirming services.
7. For any proposed sub-contractors, proposing firm must be willing to commit that your organization has primary responsibility for providing services and will be solely responsible for Performance Standards / Guarantees assuring that all proposed services are delivered.
8. Proposing firm must provide safety systems for maintenance of records including:
9. Proposing firm will be liable and solely responsible for any processing errors. (e.g. in the event of a loss of interest, dividend or principal, due to your error

you agree to put the District in the same position as if the process error had not occurred).

10. Proposing firm will provide access, with reasonable notice, to parties authorized by the District for the purpose of performing any audit or reviews that are deemed necessary.
11. Proposing firm will provide evidence and reporting documents to confirm that the proposed trust program reporting is compliant with the requirements of Governmental Accounting Standards Board (GASB) Statements 43, 45, 74 and 75.
12. Do you have any actual or potential conflicts of interest that may exist with respect to the firm, management or employees relative to the services provided to the District? If so, please describe.
13. Proposing firm agrees that all responses to this Request for Qualifications/Proposal (RFQ) shall become the exclusive property of the District. Upon approval of a contract all accepted proposals shall become a matter of public record and shall be regarded as public.

6.3: Historical Return of Investment and Performance

1. Describe the advantages that your trust vehicle and your investment strategy offers compared to other alternatives the District might consider.
2. What investment fund(s) do you propose for the District? If this proposed fund is comprised of multiple funds, please list the specific multiple funds that underlie the proposed fund.
3. As of 12/31/17, what is the 1 year rate of return of the proposed OPEB and/or Pension fund (both gross and net)?
4. As of 12/31/17, what is the 3 year rate of return of the proposed OPEB and/or Pension fund (both gross and net)?
5. As of 12/31/17, what is the 5 year rate of return of the proposed OPEB and/or Pension fund (both gross and net)?

6. As of 12/31/17, what is the 10 year rate of return of the proposed OPEB and/or Pension fund (both gross and net)?
7. What is the three (3) year standard deviation as of 12/31/17?
8. What is the five (5) year standard deviation as of 12/31/17?
9. Will any services regarding investments be performed by sub-contractors? If so, please describe their qualifications and experience?
10. What benchmarks are used for the fund(s)?
11. How frequently are investments monitored / evaluated? (Daily, Monthly, Quarterly).
12. What process will you follow to replace under-performing funds? What role will the District have in that process?

6.4: Investment Services

1. A description of the OPEB and/or Pension investment, advisory, and management services offered including information on your investment policy and asset allocation policy. Also describe the content and frequency of investment result reporting.
2. Do you utilize an Investment Policy Statement to disclose how your funds will be managed? If so, please provide a copy.
3. Can you provide an electronic copy prospectus for each fund being proposed as well as the most recent annual report on each fund? If so, please provide electronic copies with your proposal.

6.5: Fees/Charges Disclosure

1. Indicate the fees for the following types of services;
 - Investment management
 - Policy development
 - Asset allocation recommendation
 - Asset management (including underlying fund or manager fees)
 - Funding analysis
 - Trust document
 - Trustee/custodial services (including asset balance based fees)
 - Management expenses
 - Administrative expenses
 - Transactions
2. Are there any other fees, not listed and described above that are one-time or recurring? If so, please describe.
3. How are upfront costs and ongoing costs incurred, reported and disclosed?
4. Are there any fees associated with transfer of money from your company in the event that you are not selected in a future RFP? If so, what are the fees?
5. Are you willing to propose an “all-in” fee proposal including custodial fees? If so, what would be your “all-in” fee proposal?
6. List all revenue sharing agreements that will occur with any proposed funds you offer.

6.6: Financial Stability

1. Provide your latest audited financial statement (as an Exhibit).
2. Describe your financial history and resources of your organization.
3. Do you have any legal claims pending against your firm during the past five years? If so, please provide.
4. Have you had any regulatory violations filed by the SEC, FINRA or the State of California during the past five (5) years? If so, please explain.
5. Please list any Dunn and Bradstreet, S & P or other rating agency ratings of your proposed funds.

6.7: Section 115 Trust and Fiduciary Services

1. Is the trustee's company in any way affiliated with the investment company (example, is one a subsidiary or division of the investment company etc.), or are the firms completely separate and distinct? Please explain.
2. What services does the trust provide? Who provides these services?
3. How are trust administrative transactions controlled and executed?
4. Please list all fiduciaries to the trust.
5. What notice is required to make OPEB and/or Pension disbursements (# days)?
6. Are there a maximum number of disbursements allowed per year? If so, how many?
7. Describe provisions for spend-down or termination of agreement.
8. If there is a structural change in retiree health benefits/pension benefits or a significant change in actuarial assumptions that results in the reduction of unfunded liability in the next valuation, what provisions exist that would allow the District to withdraw funds to reduce funding levels?

9. If there is a major change in employee health care coverage requirements, either at the state or national level, what flexibility does your funding vehicle have to respond? Will the agreement allow for transfer of funds for other purposes?
10. Will the District have an assigned customer service representative? If so, please provide a toll free contact number.
11. Does your trust vehicle permit both pre-tax employer and employee contributions? If so, please describe.
12. Explain the process or mechanics of how disbursements are made.

6.8: Legal

1. The District requires the following insurance requirements in their contracts: \$1 million per occurrence/ \$2 million aggregate general liability naming the Beach Cities Health District as an additional insured; \$1 million commercial auto; statutory workers' compensation; and professional liability coverage (in an amount to be based on the scope of work) evidenced by a Certificate of Insurance or verification of self-insurance. Do you agree with these insurance requirements?
2. Identify services you will provide to the District regarding legislative / legal updates, legal interpretations and opinions regarding the plan's compliance and contact personnel.
3. The District has provided a copy of our Professional Services Contract containing additional requirements. Are you willing to meet these additional contractual requirements?
4. If your answer to # 3 above is no, please explain any exceptions.

5. Have you been sued by anyone during the past ten (10) years? If yes, please describe.
6. Please describe all claims, if any, against your company over the past ten (10) years.
7. Please describe all threats of lawsuits, claims, regulatory actions over the past ten (10) years.
8. Please describe any actions against any employee, former employee (during his / her employment with you) by any federal, state or local regulatory authority.
9. Please describe any threatened actions and / or inquiries by any federal, state or local regulatory agency against your firm or employee whether resolved or settled.
10. What insurance protection will you provide to the District covering your management of these funds, including any bonds required for personnel?

6.9: References

1. Provide the top 3 California clients with asset amounts (Name, Address, Email Address and Phone).
2. List all accounts cancelled/not renewed in last five years (Name, Address, Email Address and Phone).

6.10: Philosophy and Service Model

1. Describe how you will fulfill the needs of the District described in this RFP. Attach a detailed implementation plan. The implementation plan should describe the controls by which your firms manages projects of the type sought by this RFP. The project plan should identify all tasks and deliverables to be performed, durations for each task, and overall time of completion. The Plan should distinguish the tasks to be performed by District and Proposer staff.

2. Detailed description of the efforts your firm will undertake to achieve client satisfaction and to satisfy the requirements of the Scope of Work section.
3. Describe our procedures to ensure that the portfolio comply with the client investment objectives and policies. Describe and include samples of standard reporting available for clients investment transactions and market valuations.
4. List your needs for physical space and/or equipment at the District during this engagement, if any, aside from space or equipment that would be provided by the District as an obvious aspect of the requested services (for example, space to treat patients, computers to document services, etc.).
5. Identify how you will meet all other aspects of the scope of work and related requirements stated above. List any items that you cannot provide.
6. Describe the measurements/metrics/deliverables/assessments that you will provide on at least an annual basis to allow the District to assess the services you will provide.
7. Provide information on any other pertinent services, if any, that you will offer that will reduce costs or enhance revenue for the District.

6.11: Customer Service

1. In the event of a routine problem, who is to be contacted within your organization?
2. In the event of the identification of a problem by the District, its clients, and/or other applicable constituents, describe how you will address such problems and the timeframe for addressing them.